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GAIN Report #SP1058

# Spain

# Solid Wood Products

# Annual

# 2001

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**Report Highlights:**
**After a record reached in 2000, dwelling starts are declining this year and are expected to further decline in 2002. Furniture manufacturing activity is also declining but home repair and remodeling continue to grow steadily. The outlook for cooperage products is also not as bright as in previous years. Forest products imports in 2000 reached record levels both total and from U.S. For 2001, imports of some forest products, such as hardwood lumber, are expected to decline and a further drop for most forest products imports are projected for 2002,**

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Madrid [SP1], SP

## Executive Summary

After peaking in 1999, the accelerated growth cycle of the Spanish construction industry has slowed down, a tendency that is expected to continue through next year. New dwelling starts which attained a record of 539,000 in 2000 are declining this year and are expected to further decline in 2002. Renovation activity is, however, growing firmly. After steady growth in the past several years, furniture sales are expected to decline this year. The demand for cooperage products may also be affected by the current situation of the Spanish wine industry.

Spain's forest products imports from all sources in 2000 grew 11 percent from 1999 to reach a $1.45 billion record. A breakdown of these imports by value in 2000 is as follows (in million U.S. dollars): softwood lumber (339), oak lumber (158), beech lumber (45), other hardwood lumber (195), softwood logs (47), hardwood logs (210), veneers (143), moldings (59), fiberboards (89), particleboard (101), plywood (45) and other forest products (16).

In 2000, the main suppliers of softwood lumber to Spain were (in million U.S. dollars) Sweden (86), and the United States (78); for temperate hardwood lumber, the United States (129), France (28) and Germany (21); for hardwood veneer, the United States (50) and Germany (15); and for softwood plywood, Finland (5).

For 2001, with the exception of softwood lumber, hardwood veneer and plywood, imports of forest products into Spain are projected to decline substantially from the preceding year. For 2002, the same downward tendency is projected to continue for hardwood logs, softwood and hardwood lumber.

Spain's imports of U.S. forest products in 2000 attained a record value of $282 million, up 20 percent from the previous year's levels. They included $78 million of softwood lumber, $129 million of hardwood lumber, $58 million of veneer (primarily hardwood veneer), and $15 million of hardwood logs. About one-fourth of the value of sales of U.S. hardwood lumber should be considered oak staves or planks for barrel making as these materials are counted as oak lumber by Customs. In 2000, Spain remained the United States's third largest market for softwood lumber, hardwood lumber and hardwood veneer as well. As the market is concentrated in two individual species , southern pine and white oak, Spain continues to be the number one market for these two U.S. lumber species.

Peseta/$ exchange rates: 1999: 156.33; 2000 - 180.68; Average expected for 2001: 185

| | | | |
|---|---|---|---|
| FOREST PRODUCT | | | |
| STRATEGIC INDICATOR TABLES FOR (SPAIN) | | | |
| (Please do not add/delete rows or columns -- note and other info must be added below row 110 -- thank you!) | | | |
| | | | |
| CONSTRUCTION MARKET | | | |
| Country: Spain | Previous | Current | Following |
| Report Year: 2001 | Calendar Year | Calendar Year | Calendar Year |
| Total Housing Starts (thousand units) | 539 | 500 | 450 |
| --of which, wood frame (thousand units) | n/a | n/a | n/a |
| --of which, steel, masonry, other materials (thousand units) | n/a | n/a | n/a |
| --of total starts, residential (thousand units) | 536 | 497 | 447 |
| ----of residential, single family (thousand units) | 165 | 170 | 175 |
| ----of residential, multi-family (thousand units) | 371 | 327 | 272 |
| --of total starts, commercial (thousand units) | 3 | 3 | 3 |
| Total Value of Commercial Construction Market ($US mil) | 8,900 | 9,300 | 9,500 |
| Total Value of Repair and Remodeling Market ($US million) | 24,200 | 25,300 | 25,800 |
| | | | |
| | | | |
| FURNITURE & INTERIORS MARKET | | | |
| Country: Spain | Previous | Current | Following |
| Report Year: 2001 | Calendar Year | Calendar Year | Calendar Year |
| Total Housing Starts (number of units) | 539,000 | 500,000 | 450,000 |
| Total Number of Households) | 18,621,000 | 19,150,000 | 19,600,000 |
| Furniture Production ($US million) | 7,700 | 7,600 | 7,600 |
| Total Furniture Imports ($US million) | 564 | 600 | 600 |
| Total Furniture Exports ($US million) | 1,450 | 1,550 | 1,500 |
| Interiors Market Size ($US million) | n/a | n/a | n/a |
| | | | |
| | | | |
| MATERIAL HANDLING MARKET | | | |
| Country: Spain | Previous | Current | Following |
| Report Year: 2001 | Calendar Year | Calendar Year | Calendar Year |
| Total Value of Industrial Output ($US million) | 157,734 | 162,466 | 166,530 |
| New Pallet Production (million units) | 16 | 15 | 14 |

| FOREST AREA | | | |
|---|---|---|---|
| Country: Spain | Previous | Current | Following |
| Report Year: 2001 | Calendar Year | Calendar Year | Calendar Year |
| Total Land Area (million hectares) | 47 | 47 | 47 |
| Total Forest Area (million hectares) | 11 | 11 | 11 |
| --of which, Commercial ('000 hectares) | 7,550 | 7,550 | 7,550 |
| ----of commercial, tropical hardwood ('000 hectares) | 0 | 0 | 0 |
| ----of commercial, temperate hardwood ('000 hectares) | 2,050 | 2,050 | 2,050 |
| ----of commercial, softwood ('000 hectares) | 5,500 | 5,500 | 5,500 |
| Forest Type | | | |
| --of which, virgin ('000 hectares) | n/a | n/a | n/a |
| --of which, plantation ('000 hectares) | n/a | n/a | n/a |
| --of which, other commercial (regrowth) ('000 hectares) | n/a | n/a | n/a |
| Total Volume of Standing Timber (thousand cubic meters) | n/a | n/a | n/a |
| --of which, Commercial Timber ('000 cum) | 320,000 | 321,000 | 322,000 |
| Annual Timber Removal ('000 cum) 1/ | 14,800 | 15,000 | 15,000 |
| Annual Timber Growth Rate ('000 cum) | 16,000 | 16,000 | 16,000 |
| Annual Allowable Cut ('000 cum) | 15,000 | 15,000 | 15,000 |
| | | | |
| | | | |
| | | | |
| | | | |
| WOOD PRODUCTS SUBSIDIES | | | |
| Country: Spain | Previous | Current | Following |
| Year of Report: 2001 | Calendar Year | Calendar Year | Calendar Year |
| Total Solid Wood Export Subsidy Outlay ($US million) | 0 | 0 | 0 |
| Is there a ban on the export of logs, lumber, or veneer? 1/ | no | no | no |
| Are there export taxes (yes/no)? 2/ | no | no | no |
| Total Wood Production Subsidy ($US million) | 0 | 0 | 0 |
| Scope (thousands of hectares) | n/a | n/a | n/a |
| Are there other wood products export expansion activities? | n/a | n/a | n/a |
| | | | |
| | | | |
| | | | |

| FOREST PRODUCT TARIFFS AND TAXES (percent) | | | | | | |
|---|---|---|---|---|---|---|
| | | Tariff | Tariff | Other | | |
| Country: Spain | Product | Current | Following | Import | Total Cost | Export |
| Report Year: 2001 | Description 1/ | Year | Year | Taxes/Fees | of Import 2/ | Tax |
| 4401.21&22 | Wood chips | Free | Free | Free | Free | Free |
| 4403.10.10 | Tr. softw. pole | Free | Free | Free | Free | Free |
| 4403 | LOGS | Free | Free | Free | Free | Free |
| 4404 | Hoopwood | Free | Free | Free | Free | Free |
| 4405 | Wood wool | Free | Free | Free | Free | Free |
| 4406 | R. sleepers | Free | Free | Free | Free | Free |
| 4407 | LUMBER | Free | Free | Free | Free | Free |
| 4408 | VENEER | 4 | 4 | Free | $4 | Free |
| 4409.10.11&20.11 | Frame molding | Free | Free | Free | Free | Free |
| 4409.20.91 | Parquet strips | Free | Free | Free | Free | Free |
| 4410 | Particleboard | 7 | 7 | Free | $7 | Free |
| 4411 | Fiberboard | 7 | 7 | Free | $7 | Free |
| 4412 | Plywood* | 7 | 7 | Free | $7 | Free |
| 4413 | Densified wood | Free | Free | Free | Free | Free |
| 4414 | Frames | Free | Free | Free | Free | Free |
| 4415 | Crates & Pallets | 4 | 4 | Free | $4 | Free |
| 4416.00.10 | Oak staves | Free | Free | Free | Free | Free |
| 4416.00.90 | Wine barrels | Free | Free | Free | Free | Free |
| 4417.00.20 | Tool handles | Free | Free | Free | Free | Free |
| 4418.10 | Windows | 3 | 3 | Free | $3 | Free |
| 4418.20 | Doors | Free | Free | Free | Free | Free |
| 4418.30 | Parquet panels | Free | Free | Free | Free | Free |
| 4418.40 | Concrete forming p. | Free | Free | Free | Free | Free |
| 4418.90.10 | Glue-lam | Free | Free | Free | Free | Free |
| 4419 | Table & kitchenware | Free | Free | Free | Free | Free |
| 4420 | Marquetry | 4 | 4 | Free | $4 | Free |
| 4421.10 | Clothes hangers | Free | Free | Free | Free | Free |
| 9403.30&50 | Furniture | Free | Free | Free | Free | Free |
| 9403.4 | Kitchen furniture | 2.7 | 2.7 | Free | $2.7 | Free |
| 9406.00.10 | Prefabricated houses | 2.7 | 2.7 | Free | $2.7 | Free |
| 2/ Calculate as tariff plus other import taxes/fees assuming a commodity value of $100. | | | | | | |
| | | | | | | |
| *except for a duty-free EU quota of 650,000 Cubic Meters of softwood plywood | | | | | | |

## MARKET SEGMENT ANALYSIS

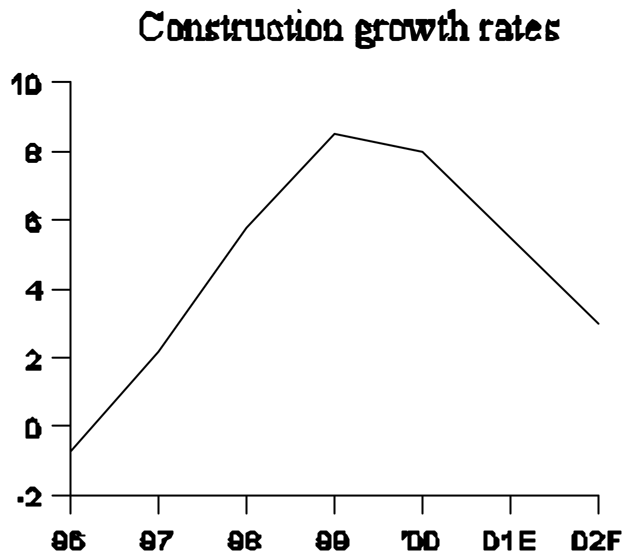
**Construction Sector**

*Overview*

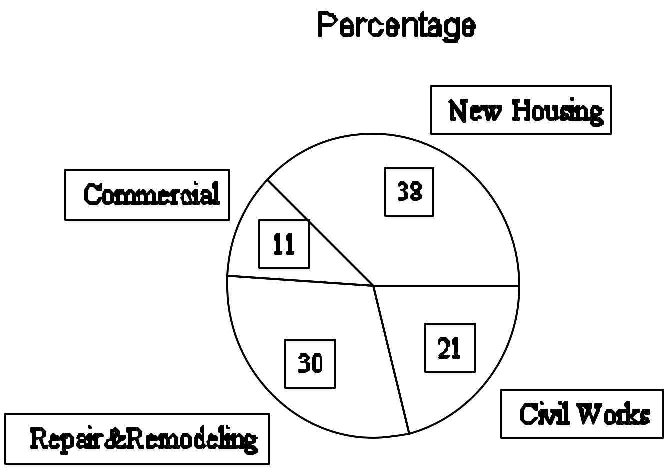
As shown in the table below, the Spanish construction industry is experiencing a growing cycle which began in 1997 and peaked in 1999. The current slowdown in growth, however, is expected to continue through the year 2002.

| Overall Construction Industry Growth Rates (percentages) | | | | | | |
|---|---|---|---|---|---|---|
| 96 | 97 | 98 | 99 | 0 0 | 01 E | 02 F |
| -0.7 | 2.2 | 5.8 | 8.5 | 8.0 | 5.5 | 3.0 |

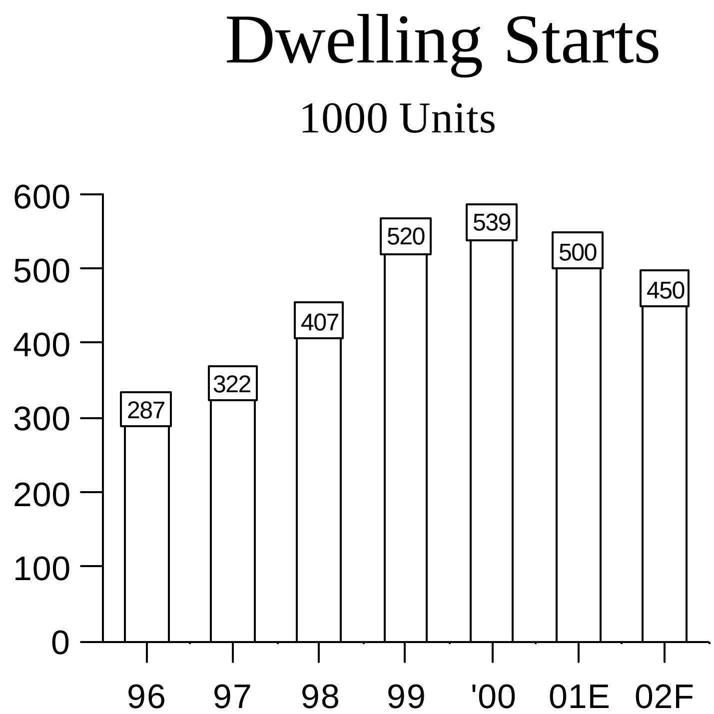
| By sectors | 99 | 00 E | 01 F |
|---|---|---|---|
| New Housing | 13 | 9.5 | 3.0 |
| Non residential | 5.5 | 6.5 | 5.0 |
| Remodeling | 4.0 | 2.5 | 4.5 |
| Civil works | 9.5 | 7.0 | 10.0 |
| Total Construction | 8.5 | 8.0 | 5.0 |




The total value of the construction industry in 2000 amounted to $80.8 billion. A sectorial breakout is as follows:



After the extraordinary high level reached in 2000, dwelling starts have curbed.




Wood products are used almost exclusively for doors, windows and flooring since timber frame construction is underdeveloped, and utilization of structural wood products is limited.

Door production in 2000 was 10.2 million units, a 7-percent increase from 1999. The great majority of doors produced in Spain are veneer faced-35 milliliter particleboard core flush doors or lacquered MDF core flush doors with solid wood stiles and rails which are used in interiors. U.S. white oak, tropical sapelli, and U.S. southern pine are the main species utilized for doors. Solid wood door production, however, is currently growing. Increased single family housing construction is contributing to the growth since solid doors are generally used as exterior doors. Oak is the species predominantly used for exterior solid wood doors. Currently, other types of doors increasingly demanded are armored doors, fire proof-doors and acoustic doors.

Windows are mostly made of aluminum and PVC. Wooden window production is about 9 million units, accounting for 20 percent of the window market. Current tendencies are for the production of mixed aluminum-wood windows as well as quality windows. Tropical irokowood as well as redwood pine lumber (I-IV baltic grades) are mostly used in wooden windows. Some clear grades of Southern yellow pine and Douglas Fir are also used.

Wooden flooring consumption in 2000 is estimated at nearly 11,000 square meters, up 11 percent from the preceding year. This market is mainly supplied by imported products. Thus, Spain imported about 10,000 square meters of wooden flooring last year (by order of importance, lamparquet, floating flooring and strip flooring). Floating flooring, which is also growing in Spain like in other EU countries but at a lower pace, is mainly used in home renovations. Strip flooring is principally utilized in single-family homes. About 30 percent of hardwoods, including temperate and tropical species, consumed in Spain are utilized in strip flooring.

Concerning timber frame housing, lack of tradition and some legal obstacles are not outweighing the advantages of this type of construction – primarily lower costs, energy savings and less construction time – over the traditional system. Nordic timber is the main structural wood type used in Spain due to its suitable price/quality ratio. Some domestic pine is also used.

Single and multifamily residential buildings are typically made of concrete and brick and other non-wooden systems used for sheathing, wall paneling and partitions. Roofing of new homes is currently done primarily with metallic trusses. Metallic systems as well as sawn wood and plywood are utilized for concrete forming.

*Marketing*

Few opportunities exist in timber frame construction as this market is small and Nordic woods are generally preferred in frames. In addition, many of the existing builders are distributors of foreign companies that sell home kits, primarily from France, the Netherlands, Finland, Canada and the United States.

U.S. construction materials such as softwood plywood and OSB in applications such as roofing, sheathing and siding face strong competition from a growing European production. Sizes and measures in the metric system are their strength.

Increased production of wooden doors and windows through last year has provided great market opportunities for U.S. hardwood and softwood lumber, and veneers. The market, however, has recently slowed.

The next round of the Barcelona International Construction Fair is scheduled for May 26-31, 2003. This fair includes sections for structures, partitions and roofs, prefabrication and industrialized construction, and wooden carpentry. Further information can be obtain from the Fair's website at: www.construmat.com.

The main commercial impediment for the utilization of U.S. wooden materials is the price differential with woods sourced in other countries. Nordic softwoods are placing increased competition on U.S.

softwoods. For example, utilization of whitewood (spruce) is notably growing for painted wood, door frames and windows. U.S. southern pine's strength is that the wood is more clear, something generally preferred by Spanish consumers. However, checks are generally produced in outside applications such as doors (especially in interior areas of Spain) due to lack of appropriated treatment. Checks are also seen after planing due reportedly to a fast kiln-drying.

In addition, tropical hardwoods, especially sapelli and iroko are quite competitive in doors and windows as well as in outdoor decking.

Regarding concrete forming, the unwillingness of U.S. companies in tailoring sizes and finishing panels as many competitors do is cited as a major constraint. Lack of awareness on utilization of treated softwoods for outdoor decking is a also a major impediment to find alternatives to tropical hardwoods.

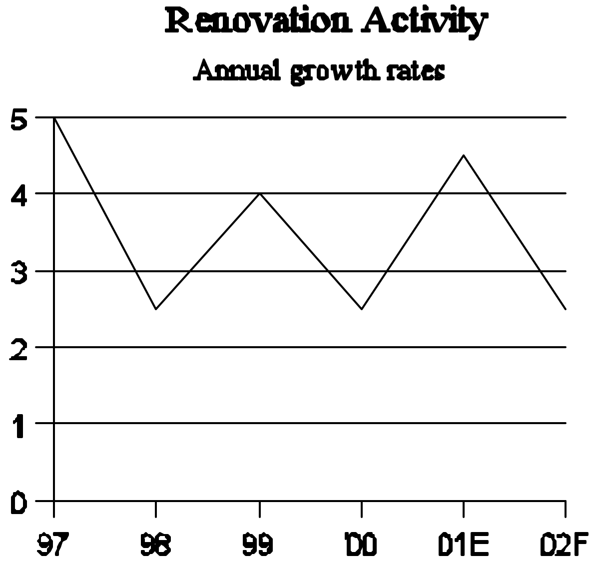
**Furniture & Interior Sector**

*Overview*

Spain is the fourth largest European furniture manufacturing country, following Italy, Germany and the U.K. About 20 percent of Spanish furniture production is currently exported, primarily to other EU markets, Russia, the United States and some Asian countries. Design and a fairly good price/quality ratio are behind the competitiveness of Spanish furniture.

The furniture industry has been strongly growing since 1993 due to increased domestic sales and export sales as well. Total furniture sales continued to grow last year but this tendency is expected to reverse in 2001. Furniture exports in 2000 attained a record $1.45 billion and during the first half of 2001 have continued to increase by 15 percent. Furniture sales, both domestic and exports, however, are currently declining.

Renovation activity, however, is still firm. Over 3.5 million dwellings are in need of some kind of significant repair. Although the standard of living in Spain is steadily increasing, it is still at about 85 percent of the EU average.




Marketing

The Spanish interior design/furniture sector has been the traditional end user of U.S. forest products. U.S. softwood and hardwood lumber, veneer logs and veneers, are used for the manufacture of joinery, flooring, doors and furniture. The market has been traditionally concentrated in two single lumber species, oak and southern yellow pine. Oak lumber, FAS and Better, is utilized for furniture, kitchen doors and moldings. White oak is the main species used for kitchen cabinets and exterior doors. No. 2 Common oak lumber is widely used for flooring.

Southern yellow pinewood is mainly utilized in Spain for molding, doors, turnings, windows, stair cases, balustrades, and picture frames. Saps, Prime & Better, Flitches (for door stiles), Number 1 Timbers (for untreated porches), Squares and some Merchantable (for bars) are the main SYP grades used. Other softwoods utilized include Douglas fir lumber, clears N. 2 and 4, Eastern White Pine, Lodgepole, Ponderosa Pine, and Hemlock.

Increased production of doors through last year has boosted the demand for temperate hardwood solidwood pieces, molding and veneers. In addition, larger single housing construction has boosted the utilization of solidwood doors and stair cases for which several temperate hardwood species are utilized and so is U.S. southern yellow pine. Parquet and strip flooring are only utilized in the medium and high-quality home segment.

Large manufacturing of furniture and doors coupled with high utilization of MDF veneer wrapped profiles for molding and picture frames have also created market opportunities for U.S. hardwood veneer and veneer logs, such as white oak, cherry, walnut, maple, ash, and some U.S. softwood veneer such as southern yellow pine and douglas fir.

Although cherry continues to be the main veneer used in modern-simpler classical furniture style, the use of oak veneer is growing and so is walnut and weige veneer. Oak and sapelli are the veneer most used to face doors. U.S. douglas fir and southern yellow pine veneers are also used.

Spain’s marketing channels for wood products are composed of a net of wholesalers/importers based throughout the country but principally in Valencia, Barcelona, Madrid, Andalucia and Galicia. Agents assist them in importing wood products from foreign countries. These outlets supply wood manufacturing industries as well as smaller warehouses which in turn supply local joiners and other end-users. Only large wood manufacturing industries have their own import units, but also frequently buy from wholesalers/importers.

For exporters who may have an interest in the Spanish wood products market, a list of Spanish forest products importers and agents can be obtained from the Office of the Agricultural Counselor in Madrid . For further information, please contact the Counselor for Agricultural Affairs in Madrid, PSC 61, Box 20, APO-AE 09642; Fax: 011-34-91-564-9644; E-mail: AgMadrid@fas.usda.gov. Information can also be obtained from the Spanish National Wood Importers Association at the following address: Asociacion Espanola de Importadores de Maderas (AEIM), Flora 3-2; 28013 Madrid. Fax: 011-34-91-547-3980; E-mail: aeim@aeim.org.

The next round of the International Wood and Furniture Industry’Suppliers in Valencia (FIMA-MADERALIA) is scheduled for November, 2003. This fair includes sections for lumber, veneer, panels, flooring, wall paneling, kitchen cabinet components, do-it-yourself and marketry. American Hardwood Export Council (AHEC) and American Softwoods are two traditional exhibitors of this fair. In addition, among exhibitors several U.S. lumber companies can also be found. Further information can be obtained from the following website: www.feriavalencia.com./fimma-maderalia

The main commercial impediment for the utilization of U.S. woods in interiors and furniture is the price differential with alternative sources including European hardwood as well as tropical hardwoods. Consumer preferences are for non-stained woods. This is a major impediment for the use of soft.maple that can look like cherry or the easily-stained tulipwood. Imports of U.S. tulipwood have notably increased, however, due to AHEC promotion. Importers have always complained about tally, alleging that the lumber received ranges between four and five percent in favor of exporters. Net tally has always been demanded and more recently computer-tally. Another constraint is the larger floating flooring production capacity and utilization.

**Material Handling Industry**

*Overview*

New pallet production is declining due to increased utilization of reusable pallets. Pinewood is the main material used for pallets in Spain. There are abundant domestic supplies at competitive prices in the Iberian Peninsula (Spain and Portugal) for the production of wooden pallets. Other sources are Poland and Brazil (Elliotis Pine).

*Marketing*

Post believes that there is limited potential in this market due to abundant local supplies at competitive prices.

The same market impediments in the construction sector are applicable in the material handling market, as follows: Availability of many product alternatives is the main constraint as well as lack of product distribution near the major industrial areas.

**Cooperage products**

*Overview*

Spain is the third largest wine producing country in the world after France and Italy, with an excellent price/quality ratio. During the past several years, this industry boomed with increased prices and export demand. Many wineries upgraded and modernized their facilities for the production of quality aged wines. Thus, in the leading quality wine producing area Rioja, oak barrel inventory has increased dramatically during the last decade, from 547,000 in 1990 to 940,000 in 2000.

There are about 15 coopers in Spain that make barrels for local use and exports. Barrel makers generally import the wood themselves. There are also a couple of sawmills that import oak logs for the production of staves.

The oakwood used is traditionally U.S. origin. Some French oak is also used.

*Marketing*

Opportunities exist for United States' mills that produce oak planks and that are willing to produce these products according to the specifications of sizes, drying procedures and moisture content that coopers require. Some coopers, however, import green oak stave planks to be air-dried locally. A list of Spanish coopers can be obtained from the Agricultural Counselor's Office at the address specified in the preceding page.

The Spanish market for oak staves is about 18,000 cubic meters worth $27 million. These figures come from about 900 containers imported annually. Each container carries about 20 cubic meters or 7,500 staves worth about $4 each.

The next round of the International Fair for Wine Cellar Machinery and Equipment will be held in Zaragoza (Spain), January 22-26, 2002. Exhibitors will include several coopers from Spain and France. Further information can be obtained from the following website:

www.enomaq.com

The new EU wine regime which began last year calls for quality enhancement. As a result, more wines should be aged in barrels, creating more marketing opportunities for U.S. oak staves and planks for barrel making. Currently, however, the wine industry is facing an oversupply situation that could hamper this tendency.

# TRADE

Spain's forest products imports from all sources in 2000 grew 11 percent from 1999 to reach a $1.45 billion record. A breakdown of these imports by value in 2000 is as follows(in million U.S. dollars): softwood lumber (339), oak lumber (158), beech lumber (45), other hardwood lumber (195), softwood logs (47), hardwood logs (210), veneers (143), moldings (59), fiberboards (89), particleboard (101), plywood (45) and other forest products (16). Over 1999, increases in imports of softwoods, temperate hardwoods, veneers and plywood more than offset declines in imports of tropical hardwood logs and moldings.

In 2000, the main suppliers of softwood lumber to Spain were (in million U.S. dollars) Sweden (86), the United States (78), Finland (36), France (29) and Portugal (28); for temperate hardwood lumber, the United States(129), France (28), Germany (21), and Canada (14); for hardwood veneer, the United States (50), Germany (15), Italy (6) and France (4); for softwood plywood, Finland (5), France and Germany (2 each) and Portugal (1).

For 2001, imports of forest products into Spain are projected to decline substantially from the preceding year. The exception will be softwood lumber, hardwood veneer and plywood which will grow due to important increases registered during the first half of the year. For 2002, the same downward tendency are projected to continue for hardwood logs, softwood and hardwood lumber.

Spain's imports of U.S. forest products in 2000 attained a record $282 million, up 20 percent from the previous year's levels. They included $78 million worth of softwood lumber, $129 million of hardwood lumber, $58 million worth of veneer (primarily hardwood veneer), and $15 million worth of hardwood logs. In 2000, Spain was the United States' third largest market for hardwood lumber (after Canada and Italy) as well as for softwood lumber (after Japan and Canada) and for hardwood veneer (after Canada and Germany). Statistics for hardwood lumber includes, however, oak planks for staves which account for nearly one fourth of the total market for U.S. hardwood lumber.

White oak continues to be the predominant U.S. hardwood lumber specie imported into Spain, with an import share of 81 percent last year. The market shares of other U.S. hardwood species were about three percent each for cherry, tulipwood and western red alder, two percent each for ash and one percent for red oak. During 2000, imports of U.S. oak logs declined dramatically but those of other U.S. temperate hardwood logs increased.

During the first half of 2001, unlike other EU countries (Italy, Germany, France and Holland in particular) Spain has continued to increase its imports of U.S. hardwoods, becoming the EU's largest importer of U.S. hardwoods. In that period, these imports amounted to about 95,000 cubic meters. Besides white oak, the predominant specie imported, other U.S. hardwood species showed dramatic increases such as western alder (33 percent) and tulipwood (24 percent).

The Spanish market for U.S. veneer and veneer logs has grown dramatically in recent years. Oak, cherry, maple, walnut, ash, southern yellow pine, and douglas fir are among the most important species used.

Spain's import requirements are fully harmonized with the rest of the EU. Import duties are also identical. Duty free imports include unprocessed products such as logs and lumber but also many wooden products such as treated softwood poles, oak staves, wine barrels, frame molding, frames, parquet strips and panels, windows, doors, concrete forming panels, tool handles, table and kitchenware, clothes hangers, and glue-lam timber. Products such as veneer, panels, crates, pallets, windows, kitchen furniture and prefabricated houses continue to be subject to import duties (see table on page 5). In addition, Spanish importers may benefit from the EU duty-free softwood plywood quota bound in the GATT at 650,000 cubic meters since 1996. Spanish imports of U.S. softwood plywood are, however, very limited.

Forest products import shipments come into Spain through 25 ports as shown in the port map below. The total volume of wood products imported through ports exceeds 2 million tons per year. The port of Valencia is the main entry for forest products into Spain. This port handles a volume of nearly 600,000 metric tons of wood per year, accounting for almost 30 percent of all import shipments through ports in Spain. It should be also pointed out that the four ports of Galicia in the Northwest of Spain – Vigo, Ferrol, Villagarcia and Marin-Pontevedra – handle 500,000 tons. Other important ports for entry of wood are Bilbao, Barcelona, Santander and Pasajes. In addition, the two archipelagos, the Canaries and the Balearic Islands, are also important, specially if cabotage in addition to direct imports is included.

# PRODUCTION

*Forest Situation*

Commercial forests in Spain are mainly located along the northern coast in the Cantabrian Range, and in northwestern, central and southern mountain regions.

Because of very low average tree densities in Spanish forests (about 40 percent), the average forest yield in Spain is estimated at 1.05 cubic meters per hectare, well below the 2.5 cubic meters/hectare average for other EU countries. However, average yields can vary dramatically from region to region. The northern Cantabrian range, which accounts for about one third of all Spanish timberland, yields an average of about 7 cubic meters per hectare.

Current reforestation programs are for about 125,000 hectares annually. Forest fires cause significant destruction of commercial timberlands in Spain, averaging 80,000 hectares annually during the last decade.

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Spain | | | | | |
| Commodity | Softwood Logs | | | | 1000 CUBIC METERS | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/1999 | | 01/2000 | | 01/2001 |
| Production | 7400 | 7500 | 7400 | 7400 | 0 | 7400 |
| Imports | 690 | 1610 | 670 | 1000 | 0 | 950 |
| TOTAL SUPPLY | 8090 | 9110 | 8070 | 8400 | 0 | 8350 |
| Exports | 250 | 239 | 250 | 220 | 0 | 230 |
| Domestic Consumption | 7840 | 8871 | 7820 | 8180 | 0 | 8120 |
| TOTAL DISTRIBUTION | 8090 | 9110 | 8070 | 8400 | 0 | 8350 |

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Spain | | |
| Commodity | Softwood Logs | | |
| Time period | CY | Units: | CY |
| Imports for: | 1999 | 1000 CUM | 2000 |
| U.S. | 0 | U.S. | 0 |
| Others | | Others | |
| France | 452 | France | 1286 |
| Portugal | 138 | Portugal | 131 |
| Estonia | 71 | Estonia | 91 |
| Sweden | 23 | Sweden | 31 |
| Latvia | 13 | Denmark | 26 |
| Russia | 8 | Russia | 26 |
| Andorra | 2 | Norway | 10 |
| Finland | 2 | Netherlands | 2 |
| | | Finland | 2 |
| | | Germany | 2 |
| Total for Others | 709 | | 1607 |
| Others not Listed | 4 | | 3 |
| Grand Total | 713 | | 1610 |

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Spain | | | | | |
| Commodity | Temperate Hardwood Logs | | | | 1000 CUBIC METERS | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Production | 4900 | 5700 | 4900 | 5100 | 0 | 5100 |
| Imports | 2050 | 2369 | 2000 | 2550 | 0 | 2300 |
| TOTAL SUPPLY | 6950 | 8069 | 6900 | 7650 | 0 | 7400 |
| Exports | 200 | 131 | 200 | 125 | 0 | 120 |
| Domestic Consumption | 6750 | 7938 | 6700 | 7525 | 0 | 7280 |
| TOTAL DISTRIBUTION | 6950 | 8069 | 6900 | 7650 | 0 | 7400 |

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Spain | | |
| Commodity | Temperate Hardwood Logs | | |
| Time period | CY | Units: | CY |
| Imports for: | 1999 | 1000 CUM | 2000 |
| U.S. | 96 | U.S. | 25 |
| Others | | Others | |
| Portugal | 680 | Portugal | 672 |
| Uruguay | 378 | Uruguay | 662 |
| Argentina | 230 | Chile | 401 |
| France | 204 | France | 390 |
| Belgium | 28 | Argentina | 108 |
| Germany | 23 | Germany | 35 |
| Ukraine | 13 | Belgium | 20 |
| Poland | 6 | Ukraine | 17 |
| U.K. | 1 | Poland | 12 |
| Canada | 1 | Estonia | 11 |
| Total for Others | 1564 | | 2328 |
| Others not Listed | 408 | | 16 |
| Grand Total | 2068 | | 2369 |

| PSD Table | | | | | | |
|---|---|---|---|---|---|---|
| Country | Spain | | | | | |
| Commodity | Softwood Lumber | | | | 1000 CUBIC METERS | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Production | 2500 | 2400 | 2500 | 2300 | 0 | 2300 |
| Imports | 1650 | 1933 | 1600 | 2290 | 0 | 2150 |
| TOTAL SUPPLY | 4150 | 4333 | 4100 | 4590 | 0 | 4450 |
| Exports | 50 | 52 | 50 | 40 | 0 | 38 |
| Domestic Consumption | 4100 | 4281 | 4050 | 4550 | 0 | 4412 |
| TOTAL DISTRIBUTION | 4150 | 4333 | 4100 | 4590 | 0 | 4450 |

| Import Trade Matrix | | | |
|---|---|---|---|
| Country | Spain | | |
| Commodity | Softwood Lumber | | |
| Time period | CY | Units: | CY |
| Imports for: | 1999 | 1000 CUM | 2000 |
| U.S. | 154 | U.S. | 174 |
| Others | | Others | |
| Sweden | 398 | Sweden | 466 |
| Portugal | 327 | Portugal | 314 |
| France | 203 | France | 302 |
| Finland | 138 | Finland | 185 |
| Russia | 116 | Russia | 149 |
| Brazil | 90 | Brazil | 111 |
| Latvia | 34 | Germany | 37 |
| Germany | 27 | Poland | 36 |
| Poland | 14 | Latvia | 35 |
| Romania | 14 | Chile | 25 |
| Total for Others | 1361 | | 1660 |
| Others not Listed | 77 | | 99 |
| Grand Total | 1592 | | 1933 |

| | | | | | | |
|---|---|---|---|---|---|---|
| PSD Table | | | | | | |
| Country | Spain | | | | | |
| Commodity | Temperate Hardwood Lumber | | | | 1000 CUBIC METERS | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Production | 670 | 720 | 670 | 700 | 0 | 700 |
| Imports | 500 | 592 | 480 | 500 | 0 | 470 |
| TOTAL SUPPLY | 1170 | 1312 | 1150 | 1200 | 0 | 1170 |
| Exports | 30 | 34 | 30 | 30 | 0 | 28 |
| Domestic Consumption | 1140 | 1278 | 1120 | 1170 | 0 | 1142 |
| TOTAL DISTRIBUTION | 1170 | 1312 | 1150 | 1200 | 0 | 1170 |

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Spain | | |
| Commodity | Temperate Hardwood Lumber | | |
| Time period | CY | Units: | CY |
| Imports for: | 1999 | 1000 CUM | 2000 |
| U.S. | 186 | U.S. | 216 |
| Others | | Others | |
| France | 100 | France | 151 |
| Germany | 94 | Germany | 95 |
| Canada | 15 | Latvia | 27 |
| Latvia | 15 | Canada | 17 |
| Ukraine | 11 | Ukraine | 16 |
| Belgium | 6 | Switzerland | 11 |
| Switzerland | 5 | Belgium | 10 |
| Romania | 4 | Romania | 9 |
| Poland | 2 | Poland | 7 |
| Hungary | 2 | Croatia | 4 |
| Total for Others | 254 | | 347 |
| Others not Listed | 21 | | 29 |
| Grand Total | 461 | | 592 |

| | | | | | | |
|---|---|---|---|---|---|---|
| PSD Table | | | | | | |
| Country | Spain | | | | | |
| Commodity | Hardwood Veneer | | | | 1000 CUBIC METERS | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Production | 41 | 41 | 42 | 40 | 0 | 40 |
| Imports | 39 | 50 | 40 | 50 | 0 | 50 |
| TOTAL SUPPLY | 80 | 91 | 82 | 90 | 0 | 90 |
| Exports | 15 | 18 | 16 | 16 | 0 | 15 |
| Domestic Consumption | 65 | 73 | 66 | 74 | 0 | 75 |
| TOTAL DISTRIBUTION | 80 | 91 | 82 | 90 | 0 | 90 |

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Spain | | |
| Commodity | Hardwood Veneer | | |
| Time period | CY | Units: | CY |
| Imports for: | 1999 | 1000 CUM | 2000 |
| U.S. | 14 | U.S. | 19 |
| Others | | Others | |
| Germany | 4 | Germany | 5 |
| Italy | 2 | Italy | 3 |
| France | 1 | Russia | 3 |
| Canada | 1 | Ghana | 3 |
| Portugal | 1 | Ivory Coast | 2 |
| Belgium | 1 | Croatia | 2 |
| Hungary | 1 | Brazil | 2 |
| Croatia | 1 | Eq. Guinea | 1 |
| China | 1 | France | 1 |
| Ghana | 1 | S. Africa | 1 |
| Total for Others | 14 | | 23 |
| Others not Listed | 8 | | 8 |
| Grand Total | 36 | | 50 |

| | | | | | | |
|---|---|---|---|---|---|---|
| PSD Table | | | | | | |
| Country | Spain | | | | | |
| Commodity | Softwood Plywood | | | | 1000 CUBIC METERS | |
| | Revised | 2000 | Preliminary | 2001 | Forecast | 2002 |
| | Old | New | Old | New | Old | New |
| Market Year Begin | | 01/2000 | | 01/2001 | | 01/2002 |
| Production | 30 | 36 | 30 | 23 | 0 | 20 |
| Imports | 18 | 28 | 19 | 34 | 0 | 35 |
| TOTAL SUPPLY | 48 | 64 | 49 | 57 | 0 | 55 |
| Exports | 33 | 54 | 35 | 45 | 0 | 43 |
| Domestic Consumption | 15 | 10 | 14 | 12 | 0 | 12 |
| TOTAL DISTRIBUTION | 48 | 64 | 49 | 57 | 0 | 55 |

| | | | |
|---|---|---|---|
| Import Trade Matrix | | | |
| Country | Spain | | |
| Commodity | Softwood Plywood | | |
| Time period | CY | Units: | CY |
| Imports for: | 1999 | 1000 CUM | 2000 |
| U.S. | 0 | U.S. | 1 |
| Others | | Others | |
| Finland | 8 | Finland | 9 |
| France | 5 | France | 8 |
| Germany | 1 | Portugal | 2 |
| Portugal | 1 | Germany | 2 |
| Poland | 1 | Poland | 1 |
| Chile | 1 | Denmark | 1 |
| | | Brazil | 1 |
| | | Chile | 1 |
| | | | |
| | | | |
| Total for Others | 17 | | 25 |
| Others not Listed | 1 | | 2 |
| Grand Total | 18 | | 28 |